Government of Saskatchewan

Annual Report 1989

92-00686/

Saskatchewan Workmen's Compensation Board Superannuation Fund

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The Honourable Sylvia Fedoruk
Lieutenant Governor
Province of Saskatchewan

Madam:

I have the honour to transmit herewith the Annual Report of the Workmen's Compensation Board Superannuation Fund for the year ending December 31, 1989.

I have the honour to be, Madam

Your Obedient Servant

Honourable J. C. Klein
Minister in Charge
Workers' Compensation Board

To The Honourable Jack C. Klein
Minister Responsible for the
Workers' Compensation Board
Regina, Saskatchewan

Dear Mr. Klein:

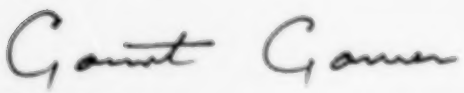
I have the honour to submit the Annual Report of the Workmen's Compensation Board Superannuation Fund for the period January 1, 1989 to December 31, 1989, in accordance with Section 55, R.S.S. 1978 of The Workmen's Compensation Board Superannuation Act as amended by The Superannuation (Supplementary Provisions) Act.

Mrs. Ruby Clarke, spouse of James Clarke, passed away December 18, 1988. Mrs. Clarke was age 75 and was in receipt of an annual pension of $1,912.80.

Mr. Archie McKay, superannuate, passed away May 8, 1989 at age 85. Mr. McKay was in receipt of an annual allowance of $3,882.84.

The report of the fund's auditor and exhibits showing the investment transactions of the fund are appended.

Yours truly,



Garnet Garven
Chairman

The Workmen's Compensation Board Superannuation Fund

Financial Statements

Year Ended December 31, 1989

Auditors' Report

To the Members of the Legislative Assembly of Saskatchewan, Regina, Saskatchewan

We have examined the statement of financial position of The Workmen's Compensation Board Superannuation Fund as at December 31, 1989 and statements of operations and fund balance and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accouting principles disclosed in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Peat Marwick Thorne

Chartered Accountants

Regina, Canada
April 27, 1990

Workmen's Compensation Board Superannuation Fund

Statement of Financial Position
December 31, 1989 with comparative figures for 1988

	1989	1988
Assets		
Cash	**$ 71,131**	$ 48,939
Accounts receivable	**32,238**	62,266
Accrued interest	**202,266**	192,694
Investments (note 8)	**12,848,320**	11,388,766
	$13,153,955	$11,692,665
Liabilities and Fund Balance		
Accounts payable	**$ 19,215**	$ 3,786
Fund balance (note 5)	**13,134,740**	11,688,879
	$13,153,955	$11,692,665

See accompanying notes to financial statements.

On behalf of the Board:

Chairman

Board Member

Board Member

Workmen's Compensation Board Superannuation Fund

Statement of Operations and Fund Balance
Year ended December 31, 1989 with comparative figures for 1988

	1989	1988
Revenue:		
Contributions from Workers' Compensation Board	**$ 152,157**	$ 147,557
Contributions by employees	**178,586**	173,445
Investment income	**1,141,004**	1,058,624
Gain on sale of investments	**437,039**	45,265
	1,908,786	1,424,891
Expenditures:		
Superannuates' allowances	**398,478**	374,189
Refunds to employees leaving service:		
Contributions	**—**	53,499
Accrued interest	**—**	28,031
Administration expenses (note 3)	**64,447**	23,016
	462,925	478,735
Excess of revenue over expenditures	**1,445,861**	946,156
Fund balance, beginning of year	**11,688,879**	10,742,723
Fund balance, end of year	**$13,134,740**	$11,688,879

See accompanying notes to financial statements.

Workmen's Compensation Board Superannuation Fund

Statement of Changes in Financial Position

December 31, 1989 with comparative figures for 1988

	1989	1988
Operating activities:		
Excess of revenue over expenditures	**$ 1,445,861**	$ 946,156
Items not affecting working capital:		
Gain on sale of investments	**(437,039)**	(45,265)
Amortization of premium on purchase of long term investments	**(8,089)**	(9,237)
Net changes in non-cash working capital balances relating to operations:		
Accounts receivable	**30,028**	150
Accrued interest	**(9,572)**	(22,111)
Acccunts payable	**15,429**	3,697
Cash provided by operations	**1,036,618**	873,390
Investing activities:		
Purchase of investments	**(19,227,531)**	(10,878,489)
Sale of investments	**18,213,105**	9,973,473
Cash applied to investing activities	**(1,014,426)**	(905,016)
Increase (decrease) in cash during the year	**22,192**	(31,626)
Cash, beginning of year	**48,939**	80,565
Cash, end of year	**$ 71,131**	$48,939

See accompanying notes to financial statements.

Workmen's Compensation Board Superannuation Fund

Notes to Financial Statements

December 31, 1989

1. Description of the plan:

The Fund was established under The Workmen's Compensation Board Superannuation Act. The plan covers employees and board members who were enrolled at October 1, 1977 and who did not elect to transfer to the Public Employees (Government Contributory) Superannuation Plan prior to October 1978.

2. Significant accounting policies:

Investments

(i) Investments are recorded in the accounts at cost. Any discount or premium is amortized over the period remaining to the maturity date of the investment. When investments are sold prior to maturity, however, any differences between the proceeds and the carrying value of the investments, including any unamortized discount or premium, are taken into revenue or expenditure in that year.

(ii) Short term investments are recorded at cost which approximates market.

3. Administrative costs:

On June 28, 1988, subsection 3(3) of the Workmen's Compensation Board Superannuation Act was amended through the passing of The Department of Revenue and Financial Services Consequential Amendment Act. The amendment which is retroactive to April 1, 1988 establishes that sums required for the purpose of administering the Workmen's Compensation Board Superannuation Fund shall be a charge, on and paid out of, that fund.

The Workmen's Compensation Board Superannuation Fund is administered by the Public Employees Benefits Agency (PEBA). Prior to April 1, 1988, all expenditures for the administration of PEBA were paid out of the Consolidated Fund. During 1988, subsection 32.1(2) of The Department of Revenue and Financial Services Act was amended to establish The Public Employees Benefits Agency Revolving Fund. The Revolving Fund was established to account for all expenditures previously paid out of the Consolidated Fund for the administration of PEBA. In addition, the Minister of Finance may charge a fee for any services which he provides on behalf of the Revolving Fund.

4. Investment management fees — Investment Corporation of Saskatchewan:

On June 6, 1988 the Workmen's Compensation Superannuation Board resolved to enter into a unanimous shareholder agreement with the Investment Corporation of Saskatchewan. The resolution was retroactive to June 1, 1988.

The Minister of Finance, on behalf of the Workmen's Compensation Board Superannuation Fund acquired 3,346 Class B shares and 100 Class A shares in the Investment Corporation of Saskatchewan (ICS). Under the provisions of the unanimous shareholders agreement, the responsibility for the investment management of the assets owned by the Workmen's Compensation Board Superannuation Fund were transferred to the ICS.

5. Fund balance:

Fund balance represents the accumulated contributions and earnings that, together with future contributions and earnings, will provide for payment of superannuation allowances, the present value of which is disclosed in note 7.

6. Fund contributions:

Member contributions are based on a percentage of salary. The Workers' Compensation Board provides contributions to the Superannuation Fund equal to .85 times the contributions made by employees.

Notes to Financial Statements

December 31, 1989

7. Surplus:

According to an independent actuarial review done as at December 31, 1989, the value of the pension plan assets at December 31, 1989 is $12,599,609 (1988 — $11,684,076) and the estimated actuarial present value of accrued pension benefits attributed to services rendered to December 31, 1989 is $10,740,781 (1988 — $9,917,297). The Workers' Compensation Board is obligated to fund any deficiency in order to meet the Fund's retirement benefits and refund requirements.

The independent consulting actuary values these pension plan assets at market-related values whereby capital appreciation and depreciation, both realized and unrealized, is recognized over a period of four years. Experience gains and losses are amortized using the straight-line method over the expected average remaining service life of the plan participants.

8. Investments:

	1989		1988	
	Book Value	Market Value	Book Value	Market Value
Short term investments	**$ 211,167**	**$ 211,167**	$ 528,284	$ 528,284
Bonds and debentures	**7,262,323**	**7,545,412**	7,216,844	7,347,302
Equities	**4,891,053**	**5,328,221**	3,149,368	3,470,954
Mortgages, at cost	**483,777**	**497,460**	494,270	512,813
	$12,848,320	**$13,582,260**	$11,388,766	$11,859,353

9. Comparative figures:

Certain of the comparative figures have been restated to conform with the current year's presentation.

Workmen's Compensation Board Superannuation Fund

Exhibit 1 Statement of Investments
December 31, 1989

Security	Par Value	Book Value
Government of Canada	$ 750,000	$ 744,763
British Columbia Hydro	400,000	343,514
Province of Saskatchewan	1,271,000	1,254,934
Airport Development Corporation	500,000	500,000
Alberta Energy Corporation	250,000	250,000
Cambridge Shopping Centre	100,000	110,875
Canadian Oil Debco	250,000	250,000
Consumer's Gas Corporation	500,000	492,637
Domtar Limited	250,000	249,440
Hudson Bay Properties Limited	100,000	89,498
Loblaws Companies Limited	100,000	101,300
Marathon Realty Limited	250,000	250,000
Mark Resources Limited	70,000	69,200
Norcen Energy Resources Limited	206,000	206,000
Pacific Western Airlines	300,000	300,000
Potash Corporation of Saskatchewan	3,400	3,400
Producers Pipeline Limited	408,333	408,333
Royal Trust GTIC	500,000	499,375
Simpson Sears Acceptance	701,000	701,000
Toronto Dominion Centre	217,000	212,823
Westcoast Energy Inc.	217,000	225,231
Air Canada		36,071
Alcan Aluminum		146,964
Bank of Montreal		193,716
Bank of Nova Scotia		152,552
BC Gas Inc.		31,717
BC Telephones		28,330
BCE Incorporated		33,143
BMO NT Financial		28,898
BNT Limited		61,736
Brascan Limited		74,664
Cae Industries		37,106
Canadian Imperial Bk of Commerce		145,187
Canadian Pacific		161,781
Canadian Tire Corporation		98,477
Canfor Corporation		52,306
CM NT Equity		42,197
Cominco Limited		117,344
Domtar Limited		32,944
Enerplus Resources Corporation		745,000
Hees International Bancorp		64,784
Hemlo Gold Mines		52,514
Imasco Limited		86,264
Imperial Oil Limited		132,775
Inco Limited		110,282
Innopac Inc.		33,156
Interhome Energy Corporation		34,640
Investment Corporation of Saskatchewan		3,446
Ipsco Inc.		35,442
John Labatt Limited		83,895
Laidlaw Transportation		49,756
MacLean Hunter Limited		90,087
MacMillan Bloedel Limited		78,088
Moore Corporation		87,804
Noranda Inc.		105,344
Norcen Energy Resources Limited		68,176
Northern Telecom Limited		99,916
Nova Corporation of Alberta		92,321
Oshawa Group Limited		52,359
Placer Dome Inc.		136,291

Workmen's Compensation Board Superannuation Fund

Exhibit 1 Statement of Investments — continued
December 31, 1989

Security	Par Value	Book Value
Power Corporation of Canada		$ 54,503
Power Financial Corporation		53,557
Royal Bank of Canada		233,662
RY NT Financial		55,084
Scotts Hospitality		40,456
Seagram Company Limited		147,592
Sears Canada Limited		31,982
Shell Canada		70,788
Teck Corporation		107,728
Thomson Corporation		128,306
TNT Financial Corporation		10,250
Toronto-Dominion Bank		157,968
Transalta Utilities Corporation		26,496
Transcanada Pipelines Limited		55,208
NHA Guaranteed Mortgages		483,777
	$7,343,733	$12,637,153

Summary	Par Value	Book Value
Government of Canada	$ 750,000	$ 744,763
Provincials and Guarantees	1,671,000	1,598,448
Convertible Debentures	723,400	733,475
Corporate Securities	4,199,333	4,185,637
	$7,343,733	$ 7,262,323
Canadian Equities		4,891,053
	$7,343,733	$12,153,376
Mortgages		483,777
Total Long Term Investments	$7,343,733	$12,637,153
Short Term Investments	215,000	211,167
	$7,558,733	$12,848,320

Workmen's Compensation Board Superannuation Fund

Exhibit 2 Statement of Investment Dispositions
December 31, 1989

Interest Rate %	Security	Maturity Date	Proceeds	Book Value
10.25	British Columbia Hydro	Feb. 15, 2004	$ 198,140	$ 171,757
12.25	City of Edmonton	June 14, 2003	500,999	439,763
13.25	Norcen Energy Resources Ltd.	Dec. 20, 2003	11,000	11,000
12.00	Producers Pipeline Limited	June 30, 1995	20,370	20,370
13.15	Toronto Dominion Centre	Sept. 15, 2003	9,000	8,827
12.25	Westcoast Energy Inc.	July 15, 2000	17,000	17,645
—	NHA Mortgages	—	10,276	10,276
—	Alcan Aluminum	Canadian Equity	101,590	103,255
—	Bank of Montreal	Canadian Equity	368,855	389,232
—	BNT Limited	Canadian Equity	47,658	42,413
—	BP Canada Inc.	Canadian Equity	30,940	36,625
—	CAE Industries	Canadian Equity	28,690	20,060
—	Connaught Biosciences	Canadian Equity	42,270	32,862
—	Crownx Inc.	Canadian Equity	8,550	18,075
—	Domtar Limited	Canadian Equity	8,982	9,413
—	Dylex Limited	Canadian Equity	17,469	26,340
—	Echo Bay Mines	Canadian Equity	135,291	88,734
—	Encor Inc.	Canadian Equity	6,113	6,580
—	Falconbridge Limited	Canadian Equity	62,690	33,750
—	Falconbridge Gold Corp	Canadian Equity	478	500
—	Imasco Limited	Canadian Equity	20,682	17,934
—	Inco Limited	Canadian Equity	7,457	5,655
—	Ipsco Inc.	Canadian Equity	406,787	235,974
—	Lac Minerals Limited	Canadian Equity	66,660	43,980
—	Laidlaw Transportation	Canadian Equity	381,163	228,780
—	Lonvest Corporation	Canadian Equity	11,110	12,478
—	MacMillan Bloedel Limited	Canadian Equity	5,429	3,106
—	National Bank of Canada	Canadian Equity	56,880	55,255
—	Nova Corporation of Alberta	Canadian Equity	81,666	54,464
—	Pagurian Corporation	Canadian Equity	8,337	15,570
—	Placer Dome Inc.	Canadian Equity	68,484	56,000
—	Power Corporation of Canada	Canadian Equity	30,440	35,070
—	Sears Canada Inc.	Canadian Equity	40,817	40,324
—	Tranalta Utilities Corp.	Canadian Equity	14,845	12,665
—	Transcanada Pipelines Ltd.	Canadian Equity	13,940	14,022
—	Abbott Laboratories	Foreign Equity	18,270	16,583
—	Ameranda Hess	Foreign Equity	29,429	26,301
—	American Telephone/Telegraph	Foreign Equity	29,721	25,278
—	BankAmerica Corporation	Foreign Equity	20,470	16,276
—	Caterpillar Inc.	Foreign Equity	25,217	26,639
—	Chevron Corporation	Foreign Equity	20,641	19,765
—	Coca Cola Limited	Foreign Equity	22,720	19,380
—	Columbia Gas System	Foreign Equity	10,517	11,180
—	Compaq Computer Corporation	Foreign Equity	26,869	27,062
—	Computer Assoc International	Foreign Equity	15,295	19,493
—	Cooper Tire & Rubber Company	Foreign Equity	15,837	12,670
—	Delta Airlines	Foreign Equity	18,153	18,284
—	Du Pont E I De Nemours	Foreign Equity	36,135	34,713
—	Gatx Corporation	Foreign Equity	7,647	7,566
—	General Electric	Foreign Equity	32,854	31,965
—	General Motors	Foreign Equity	27,364	23,330
—	Gerber Products	Foreign Equity	30,477	23,173
—	Gibson Greetings	Foreign Equity	12,602	11,355
—	Long Island Lighting	Foreign Equity	7,136	6,132
—	Lubrizol Corporation	Foreign Equity	16,827	17,734
—	Marion Laboratories	Foreign Equity	37,907	29,401
—	Melville Corporation	Foreign Equity	29,298	25,514
—	Phelps Dodge	Foreign Equity	22,720	21,536
—	Reynolds Metals	Foreign Equity	20,022	19,341
—	Schering Plough	Foreign Equity	28,835	25,818
—	TJX Companies	Foreign Equity	7,904	11,992
—	Valley National Corporation	Foreign Equity	12,562	11,662
—	Waban Inc.	Foreign Equity	3,350	3,344
—	Waste Management Corporation	Foreign Equity	14,292	11,847
			$3,441,127	$2,874,088

Workmen's Compensation Board Superannuation Fund

Exhibit 3 Statement of Investment Purchases
December 31, 1989

Interest Rate %	Security	Maturity Date	Par Value	Book Value
10.50	SaskPower Corporation	July 6, 1991	$ 21,000	$ 23,310
7.50	Cambridge Shopping Centre	June 1, 2004	100,000	111,250
8.00	Mark Resources Inc.	Nov. 30, 2004	70,000	59,200
10.75	Potash Corporation of Sask.	Dec. 1, 1992	3,400	3,400
10.75	Royal Trust GTIC	Oct. 16, 1992	500,000	499,375
—	Air Canada	Canadian Equity	—	36,070
—	Alcan Aluminum	Canadian Equity	—	232,174
—	Bank of Montreal	Canadian Equity	—	40,716
—	Bank of Nova Scotia	Canadian Equity	—	123,932
—	BC Gas Inc.	Canadian Equity	—	31,717
—	BCE Inc.	Canadian Equity	—	33,143
—	BMO NT Financial	Canadian Equity	—	10,836
—	BNT Limited	Canadian Equity	—	104,149
—	Brascan Limited	Canadian Equity	—	49,664
—	CAE Industries	Canadian Equity	—	37,106
—	Canadian Imperial Bk Commerce	Canadian Equity	—	145,187
—	Canadian Pacific Limited	Canadian Equity	—	161,781
—	Canadian Tire Corp. Limited	Canadian Equity	—	98,477
—	Cantor Corporation	Canadian Equity	—	52,306
—	CM NT Equity	Canadian Equity	—	29,259
—	Cominco Limited	Canadian Equity	—	117,344
—	Connaught Biosciences	Canadian Equity	—	32,862
—	Encor Inc.	Canadian Equity	—	6,580
—	Falconbridge Gold Corp.	Canadian Equity	—	500
—	Hees International Bancorp.	Canadian Equity	—	33,534
—	Hemlo Gold Mines	Canadian Equity	—	52,514
—	Imasco Limited	Canadian Equity	—	14,528
—	Imperial Oil Limited	Canadian Equity	—	82,585
—	Inco Limited	Canadian Equity	—	57,062
—	Innopac Inc.	Canadian Equity	—	33,156
—	John Labatt Limited	Canadian Equity	—	83,895
—	Lac Minerals Limited	Canadian Equity	—	10,688
—	Laidlaw Transportation	Canadian Equity	—	93,987
—	MacLean Hunter Limited	Canadian Equity	—	41,787
—	MacMillan Bloedel Limited	Canadian Equity	—	50,134
—	Moore Corporation	Canadian Equity	—	38,659
—	Noranda Inc.	Canadian Equity	—	105,344
—	Norcen Energy Resources Ltd.	Canadian Equity	—	68,176
—	Northern Telecom Limited	Canadian Equity	—	99,916
—	Nova Corporation of Alberta	Canadian Equity	—	37,858
—	Oshawa Group Limited	Canadian Equity	—	52,360
—	Placer Dome Inc.	Canadian Equity	—	136,291
—	Power Corporation of Canada	Canadian Equity	—	54,503
—	Power Financial Corporation	Canadian Equity	—	53,557
—	Royal Bank of Canada	Canadian Equity	—	233,662
—	RY NT Financial	Canadian Equity	—	36,584
—	Scott's Hospitality	Canadian Equity	—	20,831
—	Seagram Company Limited	Canadian Equity	—	147,592
—	Sears Canada Inc.	Canadian Equity	—	72,306
—	Shell Canada Limited	Canadian Equity	—	70,788
—	Teck Corporation	Canadian Equity	—	95,231
—	Thomson Corporation	Canadian Equity	—	69,316
—	TNT Financial Corporation	Canadian Equity	—	10,250
—	Toronto Dominion Bank	Canadian Equity	—	157,968
—	Transalta Utilities Corp.	Canadian Equity	—	26,496
—	Transcanada Pipelines	Canadian Equity	—	25,440
—	Abbott Laboratories	Foreign Equity	—	16,583
—	Amerada Hess	Foreign Equity	—	26,301
—	American Telephone/Telegraph	Foreign Equity	—	25,278

Exhibit 3 Statement of Investment Purchases — continued
December 31, 1989

Interest Rate %	Security	Maturity Date	Par Value	Book Value
—	BankAmerica Corporation	Foreign Equity	—	16,276
—	Caterpillar Inc.	Foreign Equity	—	26,639
—	Chevron Corporation	Foreign Equity	—	19,765
—	Coca Cola Limited	Foreign Equity	—	19,380
—	Columbia Gas System	Foreign Equity	—	11,180
—	Compaq Computer Corporation	Foreign Equity	—	27,062
—	Computer Assoc. International	Foreign Equity	—	19,493
—	Cooper Tire & Rubber Company	Foreign Equity	—	12,670
—	Delta Airlines	Foreign Equity	—	18,284
—	Du Pont E I De Nemours	Foreign Equity	—	34,713
—	Gatx Corporation	Foreign Equity	—	7,566
—	General Electric Limited	Foreign Equity	—	31,965
—	General Motors Corporation	Foreign Equity	—	23,330
—	Gerber Products	Foreign Equity	—	23,173
—	Gibson Greetings	Foreign Equity	—	11,355
—	Long Island Lighting	Foreign Equity	—	6,132
—	Lubrizol Corporation	Foreign Equity	—	17,734
—	Marion Laboratories	Foreign Equity	—	29,401
—	Melville Corporation	Foreign Equity	—	25,514
—	Phelp's Dodge	Foreign Equity	—	21,536
—	Reynolds Metals	Foreign Equity	—	19,341
—	Schering Plough	Foreign Equity	—	25,818
—	TJX Companies	Foreign Equity	—	11,992
—	Valley National Corporation	Foreign Equity	—	11,662
—	Waban Inc.	Foreign Equity	—	3,344
—	Waste Management Inc.	Foreign Equity	—	11,847
			$694,400	$4,772,670